VZCZCXRO6339 PP RUEHFK RUEHGH RUEHKSO RUEHNAG RUEHNH DE RUEHKO #0317 0490325 ZNR UUUUU ZZH P 180325Z FEB 10 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 9460 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 3119 RUEHFR/AMEMBASSY PARIS PRIORITY 6624 RUEHUL/AMEMBASSY SEOUL PRIORITY 9800 RUEHFK/AMCONSUL FUKUOKA PRIORITY 8877 RUEHHK/AMCONSUL HONG KONG PRIORITY 6905 RUEHNAG/AMCONSUL NAGOYA PRIORITY 5880 RUEHNH/AMCONSUL NAHA PRIORITY 1211 RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 2693 RUEHKSO/AMCONSUL SAPPORO PRIORITY 9365 RUEHGH/AMCONSUL SHANGHAI PRIORITY 0653 RUEHIN/AIT TAIPEI PRIORITY 7584 RUCPDOC/DEPT OF COMMERCE WASHINGTON DC PRIORITY RHEHAAA/NSC WASHDC PRIORITY RUEATRS/TREASURY DEPT WASHDC PRIORITY RUEHBS/USEU BRUSSELS PRIORITY

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SENSITIVE SIPDIS

STATE FOR E, EEB AND EAP/J NSC FOR JLOI, DRUSSELL USTR FOR AUSTR WCUTLER, MBEEMAN, AND DLEE

E.O. 12958: N/A

TAGS: ECON EFIN PGOV JA

SUBJECT: MINISTER HARAGUCHI RAISES POSTAL REFORM WITH AMBASSADOR

SENSITIVE BUT UNCLASSIFIED. CONTAINS BUSINESS SENSITIVE INFORMATION.

- 11. (SBU) In a wide-ranging meeting with the Ambassador, Minister for Internal Affairs and Communications Kazuhiro Haraguchi said the Japan Post group companies need freedom of management in the face of losses and decreasing deposits. said the organization would be reorganized from three to five companies. Haraguchi stated that postal service is a common good for all citizens, but he characterized Japan's current system as out of date. Although noting historically, postal assets have been put into Japanese government bonds, mentioned the possibility of diversifying into U.S. treasuries to promote greater growth. Haraguchi proposed discussing potential private sector tie-ups with U.S. firms and suggested possibly forming a joint task force to explore strategic direction and future business models to improve the profitability of both private sector companies and Japan Post group companies.
- 12. (SBU) Haraguchi signaled a desire to continue pursuing postal reform in an open and transparent manner. This continues the trend of senior DPJ officials engaging with the USG and U.S. industry as they move forward with their reform program. Haraguchi said he hopes for a "common understanding" and cooperation with the USG. His concept of a task force was vague, and he offered no details. The Ambassador expressed interest in learning more about Haraguchi's ideas on this.